

UNITED STATES BANKRUPTCY COURT
DISTRICT OF New Jersey (Trenton)

In Re. BlockFi Inc. § Case No. 22-19361
§
§
§ Debtor(s) § Lead Case No. 22-19361
§
☒ Jointly Administered

Monthly Operating Report

Chapter 11

Reporting Period Ended: 06/30/2023 Petition Date: 11/28/2022
Months Pending: 7 Industry Classification:

5	2	3	9
---	---	---	---

Reporting Method: Accrual Basis Cash Basis
Debtor's Full-Time Employees (current): 96
Debtor's Full-Time Employees (as of date of order for relief): 259

Supporting Documentation (check all that are attached):

(For jointly administered debtors, any required schedules must be provided on a non-consolidated basis for each debtor)

- Statement of cash receipts and disbursements
- Balance sheet containing the summary and detail of the assets, liabilities and equity (net worth) or deficit
- Statement of operations (profit or loss statement)
- Accounts receivable aging
- Postpetition liabilities aging
- Statement of capital assets
- Schedule of payments to professionals
- Schedule of payments to insiders
- All bank statements and bank reconciliations for the reporting period
- Description of the assets sold or transferred and the terms of the sale or transfer

/s/ Michael D. Sirota, Esq.

Signature of Responsible Party

07/21/2023

Date

Michael D. Sirota, Esq.

Printed Name of Responsible Party

25 Main Street, Hackensack, NJ, 07601

Address

STATEMENT: This Periodic Report is associated with an open bankruptcy case; therefore, Paperwork Reduction Act exemption 5 C.F.R. § 1320.4(a)(2) applies.

Part 1: Cash Receipts and Disbursements	Current Month	Cumulative
a. Cash balance beginning of month	\$206,995,421	
b. Total receipts (net of transfers between accounts)	\$16,656	\$17,502,664
c. Total disbursements (net of transfers between accounts)	\$17,453,260	\$92,961,946
d. Cash balance end of month (a+b-c)	\$189,558,817	
e. Disbursements made by third party for the benefit of the estate	\$0	\$0
f. Total disbursements for quarterly fee calculation (c+e)	\$17,453,260	\$92,961,946

Part 2: Asset and Liability Status	Current Month
(Not generally applicable to Individual Debtors. See Instructions.)	
a. Accounts receivable (total net of allowance)	\$1,009,425,170
b. Accounts receivable over 90 days outstanding (net of allowance)	\$0
c. Inventory (Book <input type="radio"/> Market <input type="radio"/> Other <input checked="" type="radio"/> (attach explanation))	\$36,196
d. Total current assets	\$1,202,032,727
e. Total assets	\$2,345,784,114
f. Postpetition payables (excluding taxes)	\$11,279,394
g. Postpetition payables past due (excluding taxes)	\$0
h. Postpetition taxes payable	\$0
i. Postpetition taxes past due	\$0
j. Total postpetition debt (f+h)	\$11,279,394
k. Prepetition secured debt	\$0
l. Prepetition priority debt	\$0
m. Prepetition unsecured debt	\$1,991,941,898
n. Total liabilities (debt) (j+k+l+m)	\$2,003,221,292
o. Ending equity/net worth (e-n)	\$342,562,822

Part 3: Assets Sold or Transferred	Current Month	Cumulative
a. Total cash sales price for assets sold/transferred outside the ordinary course of business	\$0	\$0
b. Total payments to third parties incident to assets being sold/transferred outside the ordinary course of business	\$0	\$0
c. Net cash proceeds from assets sold/transferred outside the ordinary course of business (a-b)	\$0	\$0

Part 4: Income Statement (Statement of Operations)	Current Month	Cumulative
(Not generally applicable to Individual Debtors. See Instructions.)		
a. Gross income/sales (net of returns and allowances)	\$16,656	
b. Cost of goods sold (inclusive of depreciation, if applicable)	\$4,072,731	
c. Gross profit (a-b)	\$-4,056,075	
d. Selling expenses	\$0	
e. General and administrative expenses	\$392,903	
f. Other expenses	\$14,613,940	
g. Depreciation and/or amortization (not included in 4b)	\$0	
h. Interest	\$0	
i. Taxes (local, state, and federal)	\$0	
j. Reorganization items	\$0	
k. Profit (loss)	\$-19,062,918	\$-64,038,168

Part 5: Professional Fees and Expenses

a.			Approved Current Month	Approved Cumulative	Paid Current Month	Paid Cumulative
	Debtor's professional fees & expenses (bankruptcy) <i>Aggregate Total</i>		\$13,403,769	\$47,225,611	\$13,403,769	\$47,225,611
	<i>Itemized Breakdown by Firm</i>					
i	Berkeley Research Group	Financial Professional	\$7,211,386	\$7,211,386	\$7,211,386	\$7,211,386
ii	Brown Rudnick	Special Counsel	\$1,309,429	\$5,517,477	\$1,309,429	\$5,517,477
iii	Cole Schotz P.C.	Local Counsel	\$39,406	\$290,163	\$39,406	\$290,163
iv	U.S. Trustee	Other	\$0	\$342,238	\$0	\$342,238
v	Genova Burns	Special Counsel	\$151,398	\$530,428	\$151,398	\$530,428
vi	Kirkland & Ellis LLP	Co-Counsel	\$0	\$6,940,588	\$0	\$6,940,588
vii	Kroll Restructuring Administrat	Other	\$1,001,617	\$11,083,477	\$1,001,617	\$11,083,477
viii	Moelis & Company, LLC	Financial Professional	\$162,766	\$2,514,315	\$162,766	\$2,514,315
ix	M3 Advisory Partners, LP	Financial Professional	\$1,365,622	\$2,336,757	\$1,365,622	\$2,336,757
x	Elementus	Financial Professional	\$183,498	\$981,221	\$183,498	\$981,221
xi	Haynes and Boone, LLP	Co-Counsel	\$893,265	\$8,392,177	\$893,265	\$8,392,177
xii	McCarter & English	Efficiency Counsel	\$1,085,384	\$1,085,384	\$1,085,384	\$1,085,384
xiii						
xiv						
xv						
xvi						
xvii						
xviii						
xix						
xx						
xxi						
xxii						
xxiii						
xxiv						
xxv						
xxvi						
xxvii						
xxviii						
xxix						
xxx						
xxxi						
xxxii						
xxxiii						
xxxiv						
xxxv						
xxxvi						

xxxvii							
xxxvii							
xxxix							
xl							
xli							
xlii							
xliii							
xliv							
xlv							
xlvi							
xlvii							
xlviii							
xlix							
l							
li							
lii							
liii							
liv							
lv							
lvi							
lvii							
lviii							
lix							
lx							
lxii							
lxiii							
lxiv							
lxv							
lxvi							
lxvii							
lxviii							
lxix							
lxx							
lxxi							
lxxii							
lxxiii							
lxxiv							
lxxv							
lxxvi							
lxxvii							
lxxvii							

Debtor's Name BlockFi Inc.

Case No. 22-19361

lxxix							
lxxx							
lxxxi							
lxxxii							
lxxxii							
lxxxiv							
lxxxv							
lxxxvi							
lxxxvi							
lxxxix							
xc							
xci							
xcii							
xciii							
xciv							
xcv							
xcvi							
xcvii							
xcviii							
xcix							
c							
ci							

b.			Approved Current Month	Approved Cumulative	Paid Current Month	Paid Cumulative
	Debtor's professional fees & expenses (nonbankruptcy) <i>Aggregate Total</i>		\$115,032	\$461,020	\$115,032	\$461,020
	<i>Itemized Breakdown by Firm</i>					
i	Firm Name	Role				
i	Covington & Burling LP	Special Counsel	\$68,546	\$183,727	\$68,546	\$183,727
ii	Schjodt	Special Counsel	\$46,486	\$74,782	\$46,486	\$74,782
iii	Morris, Nichols, Arnsht, and Tun	Special Counsel	\$0	\$202,441	\$0	\$202,441
iv	Hodgson Russ	Other	\$0	\$70	\$0	\$70
v						
vi						
vii						
viii						
ix						
x						
xi						
xii						
xiii						
xiv						

xv							
xvi							
xvii							
xviii							
xix							
xx							
xxi							
xxii							
xxiii							
xxiv							
xxv							
xxvi							
xxvii							
xxviii							
xxix							
xxx							
xxxi							
xxxii							
xxxiii							
xxxiv							
xxxv							
xxxvi							
xxxvii							
xxxviii							
xxxix							
xl							
xli							
xlii							
xliii							
xliv							
xlv							
xlii							
xlvii							
xlviii							
xlix							
l							
li							
lii							
liii							
liv							
lv							
lvi							

lvii							
lviii							
lix							
lx							
lxi							
lxii							
lxiii							
lxiv							
lxv							
lxvi							
lxvii							
lxviii							
lxix							
lxx							
lxxi							
lxxii							
lxxiii							
lxxiv							
lxxv							
lxxvi							
lxxvii							
lxxvii							
lxxix							
lxxx							
lxxxi							
lxxxii							
lxxxii							
lxxxiv							
lxxxv							
lxxxvi							
lxxxvi							
lxxxvi							
lxxxix							
xc							
xc i							
xc ii							
xc iii							
xc iv							
xc v							
xc vi							
xc vii							
xc viii							

Debtor's Name BlockFi Inc.

Case No. 22-19361

	xcix						
c							
c.	All professional fees and expenses (debtor & committees)		\$13,518,801	\$47,686,631	\$13,518,801	\$47,686,631	

Part 6: Postpetition Taxes

	Current Month	Cumulative
a. Postpetition income taxes accrued (local, state, and federal)	\$0	\$0
b. Postpetition income taxes paid (local, state, and federal)	\$0	\$0
c. Postpetition employer payroll taxes accrued	\$0	\$0
d. Postpetition employer payroll taxes paid	\$75,342	\$1,562,583
e. Postpetition property taxes paid	\$0	\$0
f. Postpetition other taxes accrued (local, state, and federal)	\$0	\$0
g. Postpetition other taxes paid (local, state, and federal)	\$0	\$0

Part 7: Questionnaire - During this reporting period:

a. Were any payments made on prepetition debt? (if yes, see Instructions) Yes No

b. Were any payments made outside the ordinary course of business without court approval? (if yes, see Instructions) Yes No

c. Were any payments made to or on behalf of insiders? Yes No

d. Are you current on postpetition tax return filings? Yes No

e. Are you current on postpetition estimated tax payments? Yes No

f. Were all trust fund taxes remitted on a current basis? Yes No

g. Was there any postpetition borrowing, other than trade credit? (if yes, see Instructions) Yes No

h. Were all payments made to or on behalf of professionals approved by the court? Yes No N/A

i. Do you have: Worker's compensation insurance? Yes No
If yes, are your premiums current? Yes No N/A (if no, see Instructions)
Casualty/property insurance? Yes No
If yes, are your premiums current? Yes No N/A (if no, see Instructions)
General liability insurance? Yes No
If yes, are your premiums current? Yes No N/A (if no, see Instructions)

j. Has a plan of reorganization been filed with the court? Yes No

k. Has a disclosure statement been filed with the court? Yes No

l. Are you current with quarterly U.S. Trustee fees as set forth under 28 U.S.C. § 1930? Yes No

Part 8: Individual Chapter 11 Debtors (Only)

a. Gross income (receipts) from salary and wages	\$0
b. Gross income (receipts) from self-employment	\$0
c. Gross income from all other sources	\$0
d. Total income in the reporting period (a+b+c)	\$0
e. Payroll deductions	\$0
f. Self-employment related expenses	\$0
g. Living expenses	\$0
h. All other expenses	\$0
i. Total expenses in the reporting period (e+f+g+h)	\$0
j. Difference between total income and total expenses (d-i)	\$0
k. List the total amount of all postpetition debts that are past due	\$0
l. Are you required to pay any Domestic Support Obligations as defined by 11 U.S.C § 101(14A)?	Yes <input type="radio"/> No <input checked="" type="radio"/>
m. If yes, have you made all Domestic Support Obligation payments?	Yes <input type="radio"/> No <input type="radio"/> N/A <input checked="" type="radio"/>

Privacy Act Statement

28 U.S.C. § 589b authorizes the collection of this information, and provision of this information is mandatory under 11 U.S.C. §§ 704, 1106, and 1107. The United States Trustee will use this information to calculate statutory fee assessments under 28 U.S.C. § 1930(a)(6). The United States Trustee will also use this information to evaluate a chapter 11 debtor's progress through the bankruptcy system, including the likelihood of a plan of reorganization being confirmed and whether the case is being prosecuted in good faith. This information may be disclosed to a bankruptcy trustee or examiner when the information is needed to perform the trustee's or examiner's duties or to the appropriate federal, state, local, regulatory, tribal, or foreign law enforcement agency when the information indicates a violation or potential violation of law. Other disclosures may be made for routine purposes. For a discussion of the types of routine disclosures that may be made, you may consult the Executive Office for United States Trustee's systems of records notice, UST-001, "Bankruptcy Case Files and Associated Records." See 71 Fed. Reg. 59,818 et seq. (Oct. 11, 2006). A copy of the notice may be obtained at the following link: http://www.justice.gov/ust/eo/rules_regulations/index.htm. Failure to provide this information could result in the dismissal or conversion of your bankruptcy case or other action by the United States Trustee. 11 U.S.C. § 1112(b)(4)(F).

I declare under penalty of perjury that the foregoing Monthly Operating Report and its supporting documentation are true and correct and that I have been authorized to sign this report on behalf of the estate.

/s/ Mark A. Renzi

Signature of Responsible Party

Chief Restructuring Officer

Title

Mark A. Renzi

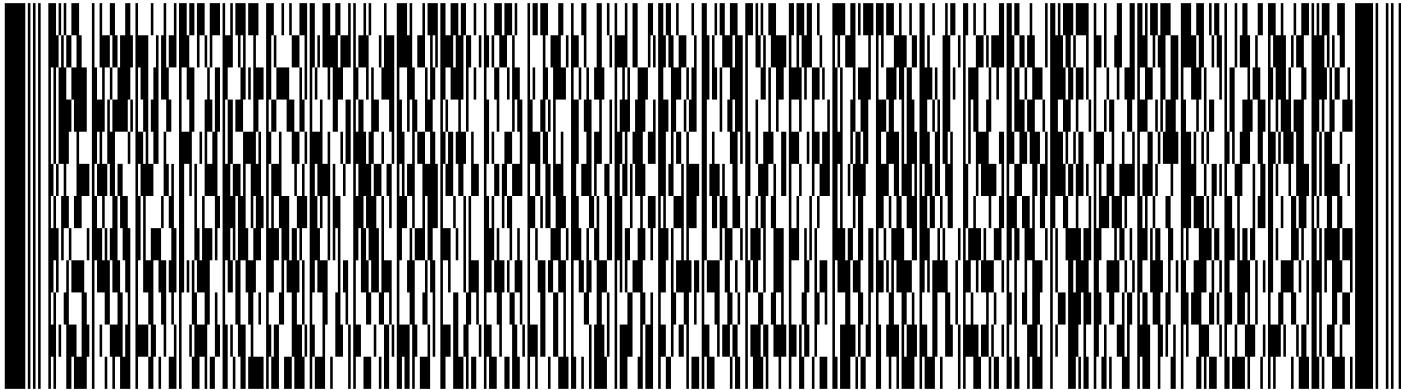
Printed Name of Responsible Party

07/21/2023

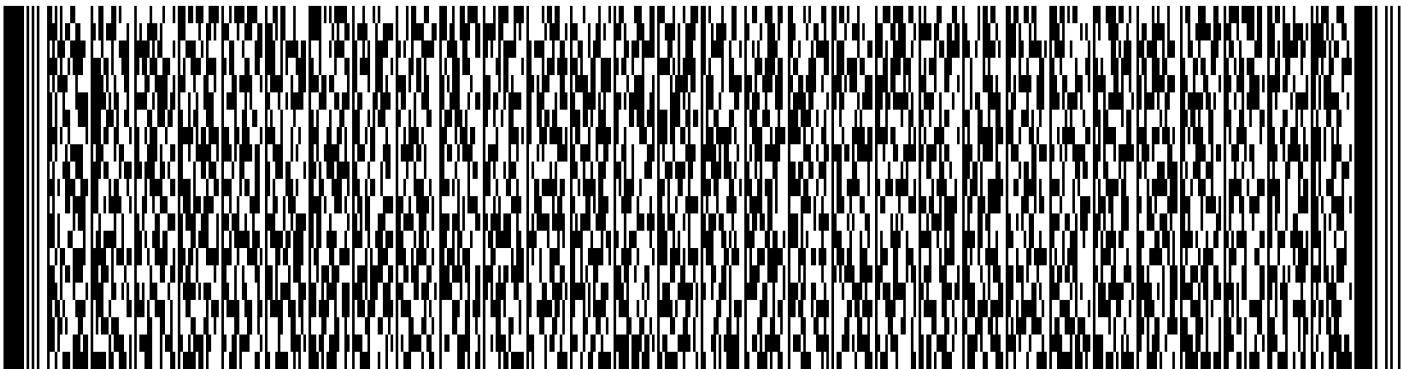
Date

Debtor's Name BlockFi Inc.

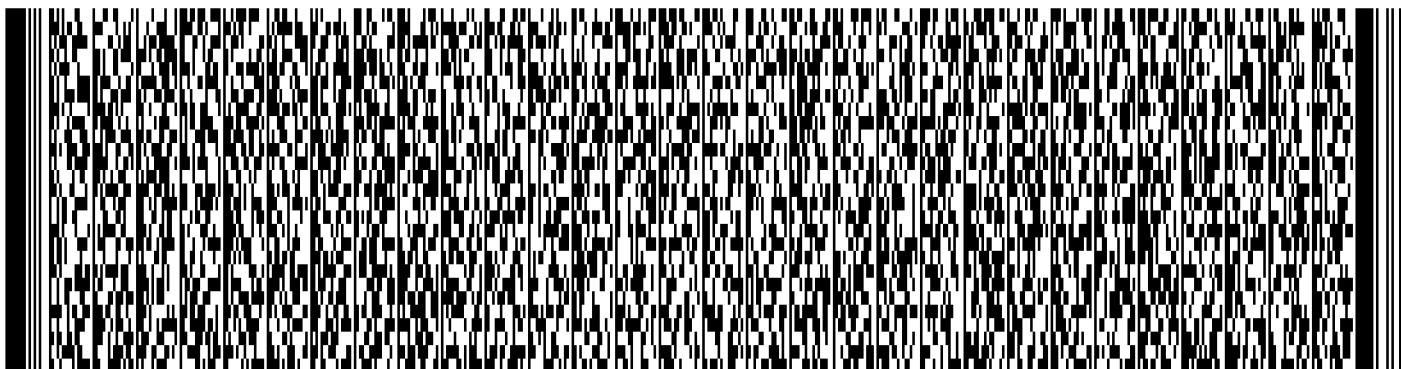
Case No. 22-19361



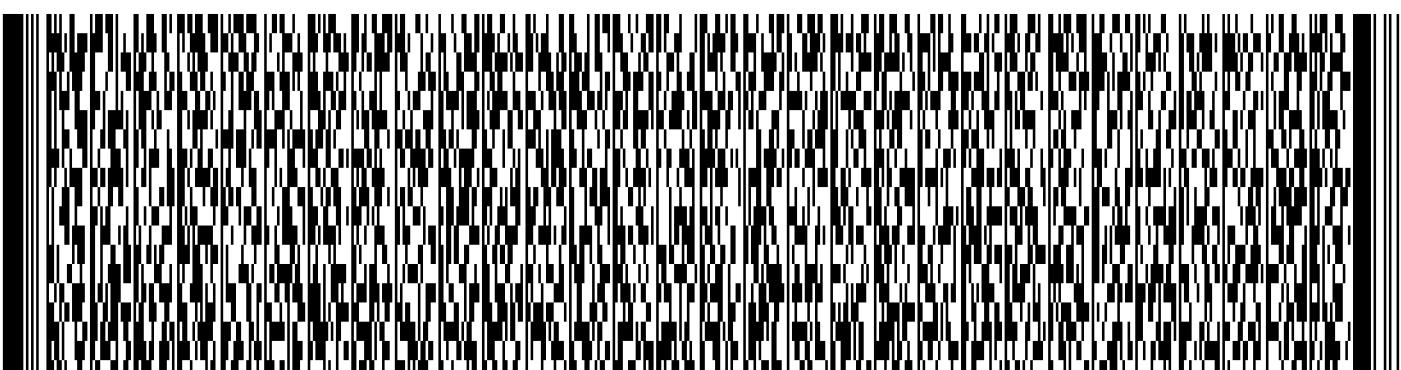
PageOnePartOne



PageOnePartTwo



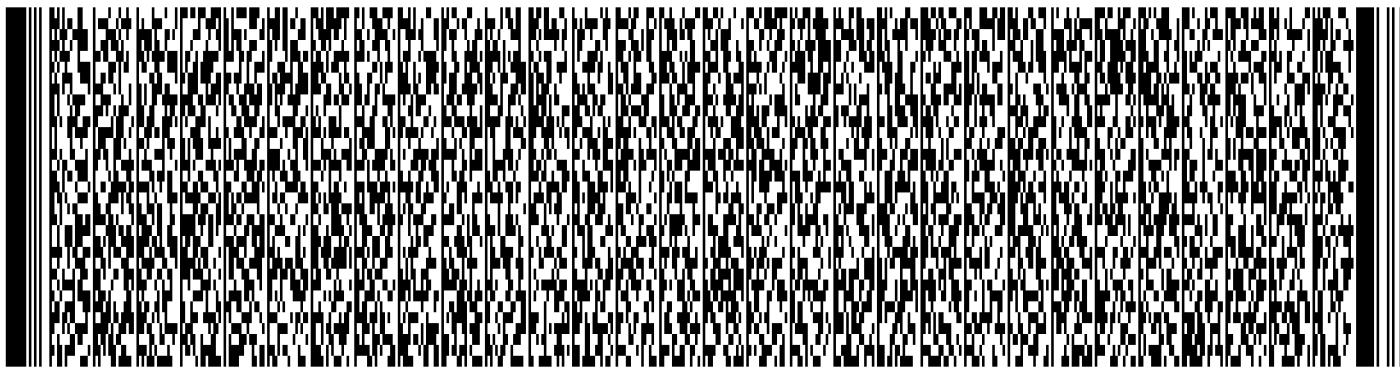
PageTwoPartOne



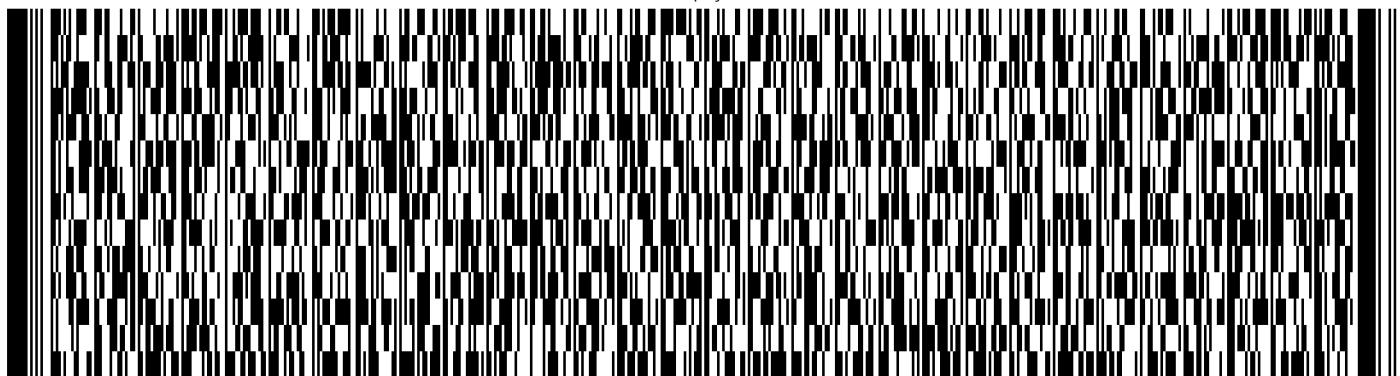
PageTwoPartTwo

Debtor's Name BlockFi Inc.

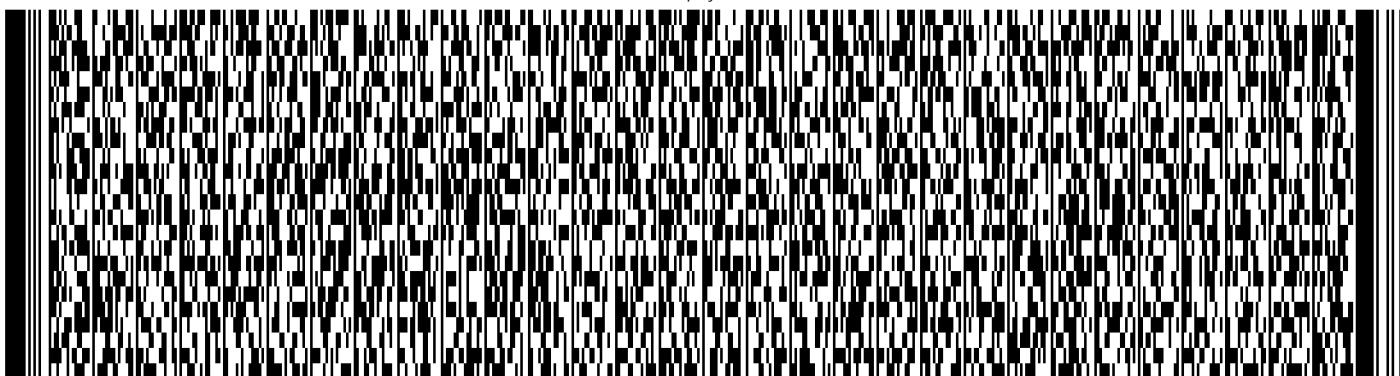
Case No. 22-19361



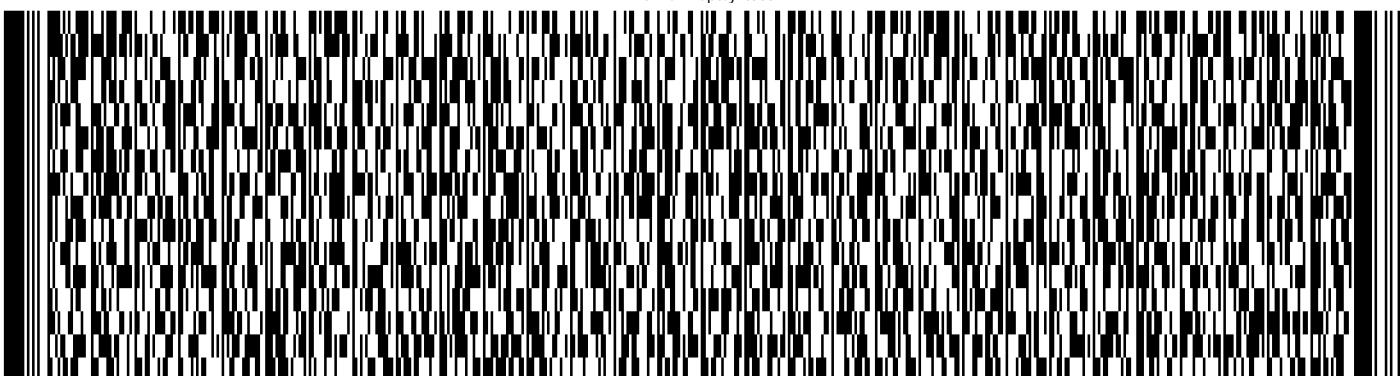
Bankruptcy1to50



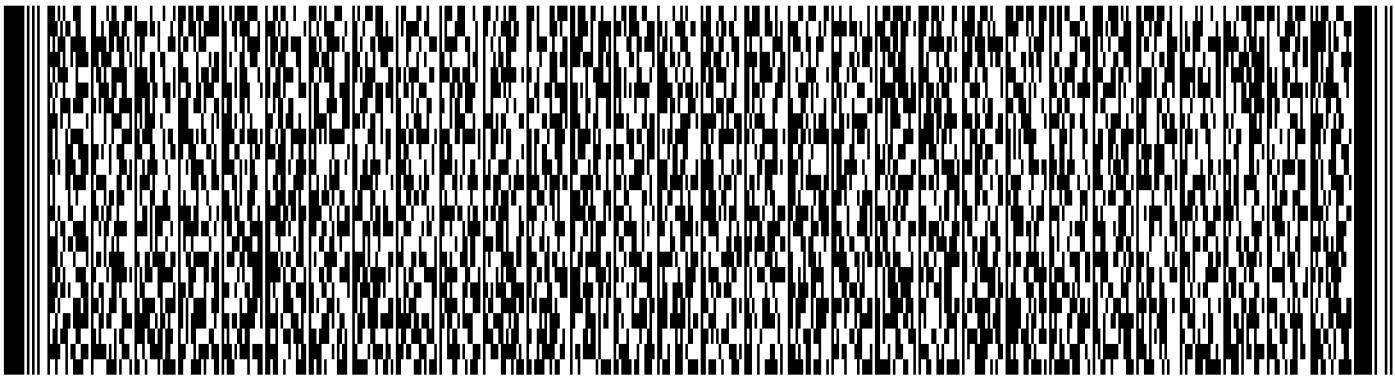
Bankruptcy51to100



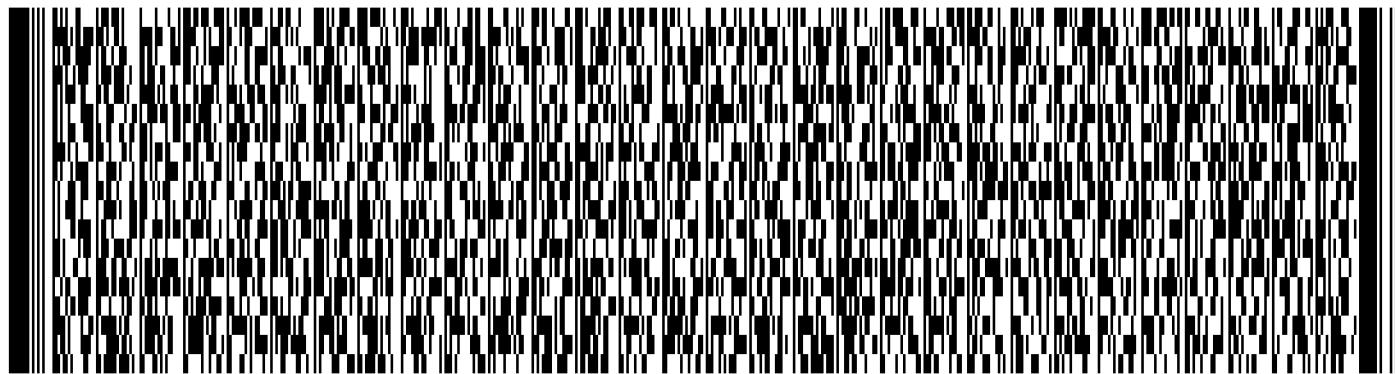
NonBankruptcy1to50



NonBankruptcy51to100



PageThree



PageFour